Al Baik Fast Food Distribution Co SAE v El Baik Food Systems Co SA

HIGH COURT (KUALA LUMPUR) — ORIGINATING SUMMON NO 24IP-38–12 OF 2014
AZIZAH NAWAWI J
7 DECEMBER 2015

Trade Marks — Application to expunge from register — Registered mark — Non-user of registered mark — Plaintiff applied to expunge defendant's trademark on basis of non-use — Whether plaintiff aggrieved person within meaning of s 46(1) of the Trade Marks Act 1976 — Whether defendant's trademark should be expunged — Trade Marks Act 1976 s 46

The plaintiff was a company based in Egypt and had operated restaurant business under 'Al Baik' trademark in Egypt since 2000 whereas the defendant was a company based in Saudi Arabia which had operated restaurant business in Jeddah, Saudi Arabia under the same trademark since 1970. The plaintiff's trademark had been registered in Malaysia since 2005 whilst the defendant's trademark was registered in Malaysia in 1997. The defendant had initiated an action under Originating Summons No 24IP-17–04 of 2014 ('the originating summons') to expunge the plaintiff's trademark pursuant to s 45 of the Trade Marks Act 1976 ('the TMA') and the court had allowed the application. The plaintiff had filed counterclaim against the action pursuant to s 46 of the TMA to expunge the defendant's trademark but the action was withdrawn with the liberty to file afresh. Consequently, the plaintiff filed this application to expunge the defendant's trademarks pursuant to s 46 of the TMA on the basis of non-use. The issues for determination were whether the plaintiff was an aggrieved person within the meaning of s 46(1) of the TMA; and whether the defendant's trademark should be expunged for non-use.

Held, allowing the application with costs:

(1) The plaintiff was an aggrieved party within the meaning of s 46(1) of the TMA as the plaintiff had registered its trademark 'Al-Baik' in Malaysia in Classes 29 and 16 and had used the said marks in Malaysia, as can be seen from the Al Baik restaurants in Setapak, Bukit Bintang and Shah Alam. The plaintiff, as the registered proprietor of its mark, was also aggrieved by the legal action issued by the defendant seeking to expunge its trademarks in the said originating summons (see paras 17 & 21).

(2) Under s 3 of the TMA, the use of a mark in relation to goods shall be construed as 'references to the use thereof upon, or in physical or other relation to goods'. Therefore, as our law mandates that the trademark be

'used upon' the goods, then there must be actual use of the marks on goods in Malaysia (see paras 29–31).

(3) The public notice in *The Star* newspaper placed by the defendant did not mention of any address of the defendant's business in Malaysia nor of any use of the 'Al Baik' mark on any particular goods or services of the defendant in the Malaysian market. Therefore, the public notice could not be said to constitute either an 'advertisement, circular or catalogue' of the defendant's non-existing business in Malaysia (see para 39).

(4) Founded on the evidence, the court disagreed with the defendant's submission on the expansive meaning to the word 'use' of the trademark in the context of s 3 of the TMA. In fact, the courts in Malaysia had interpreted the word 'use' of the trademark in several cases, and in these cases the courts had consistently held that 'use' of the mark in Malaysia means that there must be actual physical use of the said mark (see para 40).

(5) Since there was no physical use of the defendant's marks, either in relation to the restaurant services or to the goods, thus, the defendant had not used the said marks in good faith for a continuous period of not less than three years, between 8 November 2011 and 8 November 2014, under s 46(1)(b) of the TMA (see para 45).

[Bahasa Malaysia summary

Plaintif adalah syarikat yang beribu pejabat di Egypt dan menjalankan perniagaan restoran di bawah cap dagangan 'Al Baik' di Egypt semenjak tahun 2000 sementara defendan adalah syarikat yang beribu pejabat di Saudi Arabia yang menjalankan perniagaan restoran di Jeddah, Saudi Arabia di bawah cap dagangan yang sama semenjak tahun 1970. Cap dagangan plaintif telah didaftarkan di Malaysia semenjak tahun 2005 sementara cap dagangan defendan didaftarkan di Malaysia pada tahun 1997. Defendan telah memulakan tindakan di bawah Saman Pemula No 24IP-17–04 Tahun 2014 ('saman pemula tersebut') untuk membatalkan cap dagangan plaintif berikutan s 45 Akta Cap Dagangan 1976 ('ACD') dan mahkamah membenarkan permohonan tersebut. Plaintif telah memfailkan tuntutan balas terhadap tindakan berikutan s 46 ACD untuk membatalkan cap dagangan defendan tetapi tindakan tersebut ditarik balik dengan kebebasan untuk memfailkan semula. Akibatnya, plaintif memfailkan permohonan ini untuk membatalkan cap dagangan defendan berikutan s 46 ACD atas dasar tidak diguna. Isu untuk penentuan adalah sama ada plaintif adalah orang yang terkilan dalam maksud s 46(1) ACD; dan sama ada cap dagangan defendan patut dibatalkan kerana tidak diguna.

Diputuskan, membenarkan permohonan dengan kos:

(1) Plaintif adalah pihak yang terkilan dalam maksud s 46(1) ACD kerana

plaintif telah mendaftarkan cap dagangannya 'Al-Baik' di Malaysia dalam Kelas 29 dan Kelas 16 dan telah menggunakan cap dagangan tersebut di Malaysia, seperti yang dapat dilihat daripada restoran-restoran Al Baik di Setapak, Bukit Bintang dan Shah Alam. Plaintif, sebagai pemilik berdaftar cap dagangannya, juga terkilan dengan tindakan undang-undang yang dikeluarkan oleh defendan yang memohon untuk membatalkan cap dagangannya di dalam saman pemula tersebut (lihat perenggan 17 & 21).

(2) Di bawah s 3 ACD, penggunaan cap dagangan berkaitan barangan akan ditafsirkan sebagai 'references to the use thereof upon, or in physical or other relation to goods'. Oleh itu, memandangkan undang-undang kita memandatkan bahawa cap dagangan 'used upon' barangan, dengan itu mesti terdapat penggunakan sebenar cap dagangan atas barangan di Malaysia (lihat perenggan 29–31).

(3) Notis awam di dalam suratkhabar *The Star* yang diletakkan oleh defendan tidak menyatakan mana-mana alamat perniagaan defendan di Malaysia atau apa-apa penggunaan cap dagangan 'Al Baik' atas mana-mana barangan atau perkhidmatan tertentu defendan di pasaran Malaysia. Oleh itu, notis awam tidak dapat dinyatakan membentuk sama ada 'advertisement, circular or catalogue' terhadap perniagaan defendan yang tidak wujud di Malaysia (lihat perenggan 39).

(4) Berdasarkan keterangan, mahkamah tidak bersetuju dengan hujahan defendan atas maksud luas kepada perkataan 'use' dalam cap dagangan dalam konteks s 3 ACD. Sebenarnya, mahkamah di Malaysia telah mentafsirkan perkataan 'use' dalam cap dagangan di dalam beberapa kes, dan dalam kes-kes ini mahkamah telah secara konsisten memutuskan bahawa 'use' cap dagangan di Malaysia bermaksud bahwa mesti terdapat penggunaan fizikal cap dagangan tersebut (lihat perenggan 40).

(5) Memandangkan tidak terdapat penggunaan fizikal cap dagangan defendan, sama ada berkaitan perkhidmatan restoran atau kepada barangan, oleh itu, defendan tidak menggunakan cap dagangan tersebut secara suci hati bagi tempoh yang berterusan tidak kurang daripada tiga tahun, di antara 8 November 2011 dan 8 November 2014, di bawah s 46(1)(b) ACD (lihat perenggan 45).]

Notes

For cases on registered mark, see 12(2) *Mallal's Digest* (5th Ed, 2015) paras 2603–2604.

Cases referred to

Acushnet Company v Metro Golf Manufacturing Sdn Bhd [2006] MLJU 412; [2006] 7 CLJ 557, HC (refd)

Godrej Sara Lee Ltd v Siah Teong Teck & Anor (Part 2) [2007] 7 MLJ 164; [2008] 7 CLJ 24, HC (refd)
Hermes Trade Mark [1982] RPC 425, Ch D (refd)
Laboratorie De La Mer Trade Mark [2006] FSR 41, CA (refd)
LB (Lian Bee) Confectionery Sdn Bhd v QAF Ltd [2012] 4 MLJ 20, FC (refd)
M/S JN Nichols (Vimto) Limited vs Rose & Thistle And Another AIR 1994 Cal 43, HC (refd)
Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia, Pendaftar Cap Dagangan Malaysia (Interested Party) [2015] 6 MLJ 465; [2015] 9 CLJ 125, FC (refd)
NCTECH Int Bhd v NCV Technologies Sdn Bhd [2015] MLRHU 195, HC (refd)
Oishi Group Public Co Ltd v Liwayway Marketing Corp [2015] 9 MLJ 538; [2015] 2 CLJ 1121, HC (refd)
Registered Trade Mark 'Yanx', Re; Ex parte Amalgamated Tobacco Corp Ltd (1951) 82 CLR 199 (distd)
XIR Global Holding & Anor v Y-TEQ Auto Ports (M) Sdn Bhd & Anor [2015] 1 LNS 125, HC (refd)
Yong Teng Hing B/S Hong Kong Trading Co & Anor v Walton International Ltd [2012] 6 MLJ 609; [2012] 6 CLJ 337, FC (refd)

Legislation referred to

Trade and Merchandise Marks Act 1958 [IND] s 46(1)
Trade Marks Act 1905 [AUS]
Trade Marks Act 1936 [AUS]
Trade Marks Act 1976 ss 3, 3(2), 45, 46, 46(1), 46(1)(a), (1)(b), 56(3)

Steven Cheok (Kandiah & Sri) for the plaintiff.
PC Kok (HK Ong with him) (PC Kok & Co) for the defendant.

Azizah Nawawi J:

THE APPLICATION

[1] Enclosure (1) is the plaintiff's application under s 46(1)(a) and/or (b) of the Trade Marks Act 1976 ('the TMA 1976') to rectify the trademarks register by removing and/or cancelling the defendant's trademark registrations, which are as follows:

No.	Cap Dagang	Nombor	Tarikh Pendaftaran/ Permohonan	Kelas Barangan/ Perkhidmatan	Status
1.		97020468	1/12/1997	43	Registered
2.		97020470	1/12/1997	43	Registered
3.		97017036	25/11/1997	29	Registered
4.		08005624	24/3/2008	30	Registered
5.		08005628	24/3/2008	29	Registered
6.		08005626	24/3/2008	30	Registered
7.		08005629	24/3/2008	30	Registered
8.		08005631	24/3/2008	16	Registered

[2] The grounds of the application are as follows:

(a) the plaintiff is an aggrieved person as stipulated under the TMA 1976;

(b) aside from the defendant's marks being registered in Malaysia in bad faith, the defendant and did not initiate any use of the 'AL BAIK' trademark in good faith or at all with any of the defendant's Malaysian registrations in respect of any goods or services that have been registered, in Malaysia at all material times, contrary to s 46(1)(a) of the TMA; and/or

(c) contrary to s 46(1)(b) of the TMA, the defendant has not used the mark in question for a continuous period of not less than three years plus one month in relation to the registered goods or services.

[3] After hearing the parties, the plaintiff's application was allowed with costs.

A THE SALIENT FACTS

[4] The plaintiff is a company based in Egypt and has registered its

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trademark in Egypt and has operated restaurant business under 'AL BAIK' trademark in Egypt since 2000. The plaintiff had since expanded its business in the Middle East and Asia. The plaintiff has also registered the said mark in Kenya, South Africa, India, China, Iran and Ethiopia.

[5] The plaintiff created the

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E using the word 'AL BAIK', with a smiling chicken wearing a 'tarboush', a traditional head cover commonly used in Egypt. The mark also includes the chicken device performing a 'welcoming salute' by raising the tarboush.

[6] The plaintiff filed its trademark

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G application in Malaysia in Classes 29 and 16 and the same has been registered since 2005.

[7] Since early 2014, the plaintiff has been using its trademark

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I in fast food restaurants in Jalan Bintang and Setapak, Kuala Lumpur and in Shah Alam.

[8] The defendant is a company based in Saudi Arabia and started its food and restaurant business in Jeddah, Saudi Arabia in 1970. The defendant also has restaurants in Makkah Al Mukarama and Al Medina Al Munawarah, the holy lands where pilgrim from all over the world have gone for their pilgrimage.

[9] The defendant has registered its trademark in Saudi Arabia in 1987 and have since expanded to other countries including Europe and the United States of America.

[10] In Malaysia, the defendant has registered its trademark in 1997. Details of the defendant's registered trademarks in Malaysia are as follows:

No.	Cap Dagang	Nombor	Tarikh Pendaftaran/ Permohonan	Kelas Barangan/ Perkhidmatan	Status
1.		97020468	1/12/1997	43	Registered
2.	ELBAIK	97020470	1/12/1997	43	Registered
3.		97017036	25/11/1997	29	Registered
4.	ELBAIK	08005624	24/3/2008 Priority: 8/9/2007	30	Registered
5.	البيك ALBAIK	08005628	24/3/2008 Priority: 28/9/2007	29	Registered
6.		08005626	24/3/2008 Priority: 28/9/2007	30	Registered
7.	البيك ALBAIK	08005629	24/3/2008 Priority: 28/9/2007	30	Registered
8.	AlBAIK	08005631	24/3/2008 Priority: 28/9/2007	16	Registered

[11] The defendant had initiated the Originating Summons No 24IP-17–04 of 2014 against the plaintiff, in order to expunge the plaintiff's trademarks pursuant to s 45 of the TMA 1976. The said claim was allowed by this court.

[12] It is also not in dispute that the plaintiff had initially counterclaim against the defendant in Originating Summons No 24IP-17–04 of 2014,

seeking to expunge the defendant's trademarks under s 46 of the TMA 1976. The counterclaim was withdrawn with liberty to file afresh. Therefore, on 5 December 2014, the plaintiff has filed this application to expunge the defendant's trademarks under s 46 of the TMA 1976 on the basis of non-use.

[13] After hearing the parties, this court has allowed the plaintiff's application to expunge the defendant's trademarks

on the basis on non-use pursuant to s 46 of the TMA 1976.

THE FINDINGS OF THE COURT

[14] It is common ground that the issues in this case are:

(a) whether the plaintiff is an aggrieved person within the meaning of s 46(1) of the TMA 1976; and

(b) whether the defendant's trademarks should be expunged for non-use.

[15] The plaintiff's application is premised on s 46(1)(a) and/or (b) of the TMA 1976 which reads as follows:

> 46 Provisions as to non-use of trade mark
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> (1) Subject to this section and to section 57, the Court may, on application by a person aggrieved, order a trade mark to be removed from the Register in respect of any of the goods or services in respect of which it is registered on the ground –
>
> (a) *that the trade mark was registered without an intention in good faith*, on the part of the applicant for registration or, if it was registered under subsection 26(1), on the part of the body corporate or registered user concerned, to use the trade mark in relation to those goods or services and that there has in fact been no use in good faith of the trade mark in relation to those goods or services by the registered proprietor or registered user of the trade mark for the time being up to the date one month before the date of the application; or
>
> (b) that up to one month before the date of the application a *continuous period of not less than three years had elapsed during which the trade mark was a registered trade mark and during which there was no use in good faith of the trade mark in relation to those goods or services by the registered proprietor or registered user of the trade mark for the time being*.

[16] It is common ground that the first issue which this court must decide is whether the plaintiff is an aggrieved person within the meaning of s 46(1) of

the TMA 1976. The term 'aggrieved person' is used in both ss 45 and 46 of the TMA 1976. With reference to the 'aggrieved person' in both ss 45 and 46 of the TMA 1976, the Federal Court in *Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia, Pendaftar Cap Dagangan Malaysia (Interested Party)* [2015] 6 MLJ 465 held at p 477; [2015] 9 CLJ 125 held at p 139:

> [28] A person aggrieved is a person who has used his mark as a trademark or who has a genuine and present intention to use his mark as a trademark in the course of a trade which is the same as or similar to the registered trademark that the person wants to be removed from the register. The person must be someone who has some element of legal interest, right or legitimate expectation in its own mark which is being substantially affected by the presence of the registered mark. The interest or right must be legal or lawful.

[17] I am of the considered opinion that the plaintiff is an aggrieved party as the plaintiff has registered its trademark

in Malaysia in Classes 29 and 16 and has used the said marks in Malaysia, as can be seen from the Al Baik restaurants in Setapak, Bukit Bintang and Shah Alam. The plaintiff, as the registered proprietor of its mark, is also aggrieved by the legal action issued by the defendant seeking to expunge its trademarks in OS 24IP-17–04 OF 2014.

[18] However, it is the submission of the defendant that the plaintiff is not an aggrieved party because of this court's finding in OS 24IP-17–04 of 2014 that the plaintiff is a person using a confusingly similar trademark to the defendant's trademarks which the plaintiff is seeking to expunge. Therefore, the defendant submits that since the plaintiff has been infringing the defendant's trademarks, the plaintiff cannot be said to be acting in good faith and is not an aggrieved person within the meaning of s 46(1).

[19] On this issue, the defendant relied on the principle of *in bonam partem* as laid out in the case of *LB (Lian Bee) Confectionery Sdn Bhd v QAF Ltd* [2012] 3 CLJ 661; [2012] 4 MLJ 20 where the court held at pp 29–30 (MLJ); 672–674 (CLJ):

> We are in agreement with the learned judge's findings that as an infringer and as to what may be regarded as a 'policy' ground, the appellant cannot be regarded as a 'person aggrieved' for the purposes of s 46(1) of the TMA. There is a juristic support for this 'policy' approach by the learned judge which was upheld by the Court of Appeal. As a matter of statutory interpretation, the courts have long applied the principle of construction *in bonam partem*. On this point a useful reference can be

made to *Bennion on Statutory Interpretation*, (5th Ed), Lexis Nexis, 2005 at p 792 wherein a passage is reproduced as follows:

> Construction in bonam partem. In pursuance of the principle that law should serve the public interest, the courts have evolved the important technique known as construction in bonam partem (in good faith). If a statutory benefit is given on a specified condition being satisfied, *it is presumed that Parliament intended the benefit to operate only where the required act is performed in a lawful manner. Construction in bonam partem is related to three specific legal principles. The first is that a person should not benefit from his own wrong.* Next is the principle allegans suam turpitudinem non est audiendus. *If a person had to prove an unlawful act in order to claim the statutory benefit, this maxim would preclude him from succeeding.* The third related principle is stated by Coke in the words ubiquid generaliter conceditur inest haec exceptio si non aliquid sit contra jus fasque (*where a grant is in general terms there is always an implied provision that it shall not include anything which is unlawful or immoral*). (Emphasis added.)

In accordance with the principle of construction *in bonam partem*, it is noted that the learned trial judge had found that the appellant had been infringing the registered trademark 'Squiggles' since 2007. The registered trademark 'Squiggles' was registered on 20 August 2004. Until its expungement, the registered trademark remains a registered trademark. In this case, even before the application for expungement, the appellant had unlawfully been using the infringing mark 'Squiggle' which is confusingly similar to the registered trademark. Applying the principle of construction in bonam partem, the appellant cannot be regarded as being a bona fide 'person aggrieved' or a person who is lawfully aggrieved for the purposes of s 46(1) of the TMA. Furthermore, if the appellant is to be regarded as a 'person aggrieved' for the purposes of s 46(1) of the TMA, it would mean that all infringers may apply to expunge the very trademark they have been infringing and this would be contrary to the time honoured principle of not allowing them to benefit from their very own wrong or unlawful act.

[20] However, I am of the considered opinion that it is not correct for the defendant to submit that the plaintiff had committed the acts of trademark infringement and is therefore not an aggrieved person. This OS was filed on 8 December 2014, whereas the decision of the court in OS 24IP-17–04 of 2014 was only issued two months later, on 5 February 2015. Before the decision of this court dated 5 February 2015, the plaintiff was actually using its registered trademark. Under s 56(3) of the TMA 1976, the plaintiff as the registered proprietor of the trademark has the exclusive right to use its trademark. Therefore, there cannot be any trademark infringement at the time of the filing of this OS as the plaintiff was merely exercising its proprietary and statutory rights as the registered owner of the said mark, (*XIR Global Holding & Anor v Y-TEQ Auto Ports (M) Sdn Bhd & Anor* [2015] 1 LNS 125).

[21] Therefore, as at the date of the filing of this application, I find that the plaintiff is an aggrieved person within the meaning of s 46(1) of the TMA 1976.

[22] The next issue is whether the defendant's trademarks should be expunged pursuant to s 46 of the TMA 1976, for non use in Malaysia. With regards to the 'use' of a trademark, the relevant provision for consideration is s 3(2) of the TMA 1976:

> In this Act:
>
> (a) references to the use of a mark shall be construed as references to the *use of a printed or other visual representation* of the mark;
>
> (b) references to the use of a mark in relation to goods shall be construed as references *to the use thereof upon, or in physical or other relation to, goods;* (Emphasis added.)

[23] In respect of 'use' in Malaysia, the plaintiff submits that there is no actual use in good faith of the defendant's trademark as the defendant has yet to open any restaurant in Malaysia bearing the defendant's trademark. There is also no dispute that the defendant has not sold any goods (in relation to food) either bearing the defendant's trademarks.

[24] On the facts of this case, it is not in dispute that despite the registrations of their trademarks, the defendant have not opened any business restaurants in Malaysia. The defendant has also not sold any product bearing their registered trademarks in Malaysia. The defendant's position is that they are in serious discussions and negotiations with the State Government of Kedah and the Dewina Holdings Sdn Bhd to expand the defendant's 'AL BAIK' restaurants in Malaysia.

[25] On the requirement of 'use in good faith' in s 46(1), the defendant submits that 'use' of the marks in relation to the TMA 1976, must be interpreted in the liberal sense in this modern world, in that where the use of the trademarks outside Malaysia is known to a section of the Malaysian community, the Muslims who have been and seen the defendant's trademark in the holy cities of Makkah Al Mukarama and Al Madina Al Munawarah ('the holy cities'), then the same amounts to use in Malaysia.

[26] The defendant submits that it is sufficient and deemed good use of a trademark if the trademark is used in relation to the relevant goods and services notwithstanding that such use is in other countries, provided that in Malaysia, the Malaysians are aware and are conscious that the trademark is being used in relation to the relevant goods and services (restaurants) thus preserving the

essential function of the trademark. To support this proposition, the defendant relied on these facts:

(a) that Malaysians Muslims who have performed the Hajj and the Umrah, have patronised the defendant's restaurants in the holy cities;

(b) that YB Menteri Besar of Kedah and his entourage had patronised the defendant's restaurant in the holy cities and conducted business meetings with the defendant for the purpose of expanding the defendant's restaurants to Malaysia;

(c) that many Malaysian have written emails to the defendant to expand their restaurants in Malaysia;

(d) that media reports on the defendants restaurants bearing their trademarks can be found in the international journals and read by Malaysians in Malaysia;

(e) that there are Malaysian facebook accounts showing the defendant's 'AL BAIK' trademark, 'AL BAIK' restaurants and 'AL BAIK' food; and

(f) that the defendant had advertised its trademark in *The Star* newspaper on 11 August 2014 under the caption 'PUBLIC NOTICE', giving public notice that the defendant is the owner of its related trademarks.

[27] To support the above propositions, the defendant relied on several cases. The defendant submits that the Federal Court in *Yong Teng Hing b/s Hong Kong Trading Co & Anor v Walton International Ltd* [2012] 6 MLJ 609; [2012] 6 CLJ 337 has accepted that foreign use in relation to the goods as sufficient and accepted use in Malaysia. The defendant relied on the Federal Court judgment at p 620 (MLJ); at p 349/H-I (CLJ) where the court held as follows:

> [16] Learned counsel for the respondent submitted that apart from prior use of the 'GIORDANO' trademark in Malaysia, the respondent has established extensive and substantial use of the 'GIORDANO' trademark in Asia since 1981, which use in such countries especially Hong Kong and Singapore ... of the 'GIORDANO' trademark in Malaysia long before the appellant's attempt to register the mark in 1992. Given the frequency of travels by Malaysians to Hong Kong and Singapore, it would not be untenable in our view to make a finding that the 'GIORDANO' trademark was known to Malaysians even in the 1980's.

[28] However, I am of the considered opinion that the Federal Court in *Yong Teng Hing* case did not establish the principle that foreign use in relation to the goods is sufficient and accepted use of the trademarks in Malaysia. This is because the Federal Court has agreed and accepted the finding of facts by the Court of Appeal in the same case that the foreign company, Walton International Ltd, had used the 'GIORDANO' trademark in Malaysia prior to the application date. At p 619 (MLJ); p 348 (CLJ), the court held that:

[13] On the issue of prior use and registration, *we are in agreement with the finding of the Court of Appeal in the present case that the respondent had used the 'GIRDANO' trademark in Malaysia prior to the application date. The respondent and/or its licensees had first used the 'GIORDANO' trademark in Malaysia in relation to goods such as articles of clothing, leather belts, bags, wallets, umbrellas and other fashion accessories sometime in 1990.* (Emphasis added.)

[29] The defendant also relied on the Australian case of *Re Registered Trade Mark 'Yanx'; Ex parte Amalgamated Tobacco Corp Ltd* (1951) 82 CLR 199 where it was held that a mark is used in Australia if the goods are offered for sale in Australia under the mark whether they are actually in Australia or not. The relevant part of the judgment reads:

On principle and as a matter of common sense, however, it would seem that a mark is used as a trademark in Australia if it is used here to designate the goods of a particular trader which are offered for sale in Australia under that mark whether the goods themselves are actually in Australia or not (p 204).

Under our Act, the mark need not be used upon the goods. It is *sufficient if it is used in connection with the goods. If that mark had to be used upon the goods it might be difficult to say, as in the English cases already cited, that there had been any user in Australia unless the goods on which it was used were in Australia.* Since, however, a mark need only be used in connection with the goods, it seems to me that a mark is so used if the goods are offered for sale in Australia under the mark whether they are actually in Australia or not (p 205).

[30] I am of the considered opinion that the above case is distinguishable, because under the Trade Marks Act 1905–1936, relevant in Australia at that time is that, 'the mark need not be used upon the goods. It is sufficient if it is used in connection with the goods ...'. However under s 3 of the TMA 1976, the use of a mark in relation to goods shall be construed as 'references to the use thereof *upon*, or in physical or other relation to, goods'. Our Legislature uses the word '*upon ... (the) ... goods*' which is different from the said Australian Act.

[31] Added to that, the Australian High Court also said that if the law mandates that the mark had to be 'used upon' the goods, then there cannot be any user in Australia unless the goods on which it was used were in Australia. Therefore, following the above case, as relied on by the defendant, because our law mandates that the trademark be '*used upon*' the goods, then there must be actual use of the marks on goods in Malaysia.

[32] It is also the submission of the defendant that their registered 'AL BAIK' trademarks have been communicated to many third persons. The defendant's registered 'AL BAIK' trademark has been communicated as a 'trademark' to many Malaysians who consumed their food and restaurant services in the holy cities. The same has been communicated to the Menteri Besar of Kedah as well

as to the Malaysian food conglomerate Brahim's Dewina Holdings Sdn Bhd. The defendant submits that such communication to third parties constitutes good use of the 'AL BAIK' trademark. For this proposition of law, the defendant relied on the case of *Re, Laboratorie de la Mer Trademark* [2006] FSR 41 at p 49 where the English Court of Appeal held that as long as the communication conveyed the 'trademark' as a 'trademark' then there is good genuine use of the trademark. At p 63, the Court of Appeal said as follows:

> I turn to the suggestion, which appears to have found favour with the judge, that in order to be 'genuine', the use of the mark has to be such as to be communicated to the ultimate consumers of the goods to which it is used. Although it has some attraction, I can see no warrant for such requirement, whether in the words of the directive, the jurisprudence of the European Court, or in principle. Of course, the more limited the use of the mark in terms of the person or persons to whom it is communicated, the more doubtful any tribunal may be as to whether the use is genuine as opposed to token. *However, once the mark is communicated to a third party in such a way as can be said to be 'consistent with the essential function of a trademark'* as explained in [36] and [37] of the judgment in Ansul, *it appears to me that genuine use* for the purpose of the directive *will be established.*

[33] The above case concerns the interpretation of the term 'genuine use' of the mark in articles 10 and 12 of the Trademark Directive EEC/89/104 of the European Union. Bearing in mind that it is based on the Trademark Directive of the European Union and that the term used is different from our s 3 of the TMA 1976, I am not incline to follow the said decision.

[34] In any event, I take note that the above passage relied by the defendant is only an opinion of one the judges of the Court of Appeal. Added to that, the unanimous decision of the court is that genuine use of a mark is more than just internal use of the registered proprietor, or uses which 'are merely token, serving solely to preserve the rights conferred by the mark'. The court also held that the trademarks are not only used on the market in which goods bearing the mark were sold to consumers and end users but also where goods bearing the mark were sold by foreign manufacturers to importers in the United Kingdom. Therefore, this case does not support the defendant's proposition of law, but reinforced the principle that use of the trademark must not be for internal use or for token use, but used on the market in which goods bearing the mark were sold in the market.

[35] With regards to the defendant's reliance on the case of *M/S JN Nichols (Vimto) Limited vs Rose & Thistle And Another* AIR 1994 Cal 43, I find that the passage quoted by learned counsel is made per incuriam as the issue in that case is whether an import ban amounts to special circumstances under s 46(1) of the Indian Trade and Merchandise Marks Act 1958.

[36] The defendant also submit on the case of *Hermes Trade Mark* [1982] RPC 425, and quoted the following passage: A

> I agree with the observation of Mr. Myall, the assistant registrar, in the *REVUE Trade Mark,* [1979] RPC 27 at p 31, lines 12 to 14, where he said :
>
> > I do not, however, think it is necessary that the goods must exists concurrently with the advertisements. B
>
> Thus, if the registered proprietor should commence a series of *advertisements* featuring his mark as part of an interlocutory campaign, *prior to putting his goods on the market under the mark, but before they were actually on the market, in my judgment such use would clearly be use of the mark* in the course of trade, *not upon the goods or in physical relation thereto, but it would be in other relation thereto*, the point being that it would be in the course of trade in those goods, albeit in advertisements. C

[37] Premised on the above case, the defendant submits that 'there are ample advertising and promotional materials and ample evidence showing many Malaysians are aware and are conscious of the defendant's 'AL BAIK' trademark in Malaysia'. D

[38] However, on the factual matrix of *Hermes Trade Mark*, the court made the following finding of fact: E

> The *directory advertisements in the present case were not advertisement by the proprietors put out in the course of trade in the goods covered by the registration at all.* This is plain from the evidence of Mr Crockett in his paragraph 12, which I have already read. *That was not use in the course of trade and, therefore, in my judgment, the registered proprietors cannot rely on these directory advertisements at all*, either standing alone or as part of the use as a whole to be taken account with the use relied upon in the steps of the re-launch. (Emphasis added.) F

[39] Looking back at the so called advertisement placed by an agent of the defendant in the local daily, I find that the said advertisement is not an advertisement of the defendant's restaurant service or products bearing their registered trademarks in the course of trade. The alleged advertisement is actually a public notice in *The Star* newspaper on 11 August 2014 with regards to the ownership of the trademarks and possible legal actions on possible infringements. The public notice itself does not show any use by the defendant of the mark in Malaysia at that time. In the said notice, there is no mention of any address of the defendant's business in Malaysia nor of any use of the 'AL BAIK' mark on any particular goods or services of the defendant in the Malaysian market. Therefore, the public notice cannot be said to constitute either an 'advertisement, circular or catalogue' of the defendant's non-existing business in Malaysia. G H I

[40] Premised on the reasons enumerated above, I do not agree with the

defendant's submission on the expansive meaning to the word 'use' of the trademark in the context of s 3 of the TMA 1976. In fact, our courts have interpreted the word 'use' of the trademark in several cases, and in these cases the courts have consistently held that 'use' of the mark in Malaysia means that there must be *actual physical use* of the said mark.

[41] In *Acushnet Company v Metro Golf Manufacturing Sdn Bhd* [2006] MLJU 412; [2006] 7 CLJ 557, the court held that the *use of a registered trademark on an invoice is 'use in the course of trade'.*

[42] In *Godrej Sara Lee Ltd v Siah Teong Teck & Anor (Part 2)* [2007] 7 MLJ 164; [2008] 7 CLJ 24, Justice Ramly Ali (as His Lordship then was) held that:

> For *actual use to arise there must be use of the mark on or in relation to goods.* This would *include affixing the marks to the goods or in an advertisement, circular or a catalogue.* (Emphasis added.)

[43] In *Oishi Group Public Co Ltd v Liwayway Marketing Corp* [2015] 9 MLJ 538; [2015] 2 CLJ 1121, the case involved an application to expunge the registration of a trademark premised on non-use. In para 23 on the judgment, it was held by the court that:

> [23] Therefore from s 3(2) read with s 46(1)(b), the reference to use of the mark *must be physical use of the mark on or in relation to the goods by the registered proprietor or registered user*. By simply showing the mark noted on cash invoice of a third party, and not of the registered proprietor or registered user is not 'use' of the registered mark within the meaning of s 46(1)(b) read with s 3. (Emphasis added.)

[44] The principles in the above cases were applied in the case of *NCTECH Int Bhd v NCV Technologies Sdn Bhd* [2015] MLRHU 195, where the court finds that 'use' of the mark means 'the physical use of the marks by the defendant, in relation to the goods, such as affixing the marks on the good itself (such as on handbags/shirts), on sale invoices or in an advertisement, circular or a catalogue'.

[45] Since there is no physical use of the defendant's marks, either in relation to the restaurant services or to the goods, I am of the considered opinion that the defendant has not used the said marks in good faith for a continuous period of not less than three years, between 8 November 2011 and 8 November 2014, under s 46(1)(b) of the TMA 1976. Therefore, the plaintiff's application is allowed with costs.

Application allowed with costs.

Reported by Dzulqarnain Ab Fatar